



Planning, Building and Development
Community Development Division
18 North County Street - 6th Floor
Waukegan, IL 60085
Phone 847- 377- 2150
Fax 847- 984-5745

DATE: February 19, 2010

TO: All Interested and Experienced Lake County Non-Profit Rental Housing Agencies

FROM: Vern Witkowski, Deputy Director – Community Development Division

RE: Request for Qualifications (RFQ) – Rental Housing Program Services for the Neighborhood Stabilization Program (NSP)

The Community Development Division of the Lake County Department of Planning Building and Development is soliciting Rental Housing Program Services for its Neighborhood Stabilization Program (NSP) under the requirements of the Housing and Economic Recovery Act of 2008 (HERA) and is seeking qualifications from an adequate number of qualified and experienced Lake County non-profit rental housing agencies.

The purpose of these Rental Housing Program Services is to acquire, rehabilitate, lease, and manage to-be-selected foreclosed and vacant single and multi-family homes under Lake County's Neighborhood Stabilization Program (NSP) as approved by the U.S. Department of Housing and Urban Development (HUD). See Attachment 1. The requirements for these Rental Housing Program services are referenced in Attachment 2.

Please review these documents and respond accordingly if your agency would like to provide **Rental Housing Program Services (including acquisition, rehabilitation, leasing, and property management) of a minimum of five (5) foreclosed and vacant single or multi-family housing units in specified target areas** for upwards of a three (3) year time period.

Please return a signed copy of the NSP Contract (including completion and signature of the Drug Free Workplace Requirements in Appendix IV) along with a completed Initial Project Proposal. Based on selection criteria, the Community Development Division would then enter into contract with one or more selected agencies. Those responding agencies not selected will receive correspondence informing them that their agency has not been selected.

As time is of the essence, please respond by March 5, 2010 (postmarked response accepted) in order for Lake County's Neighborhood Stabilization Program to proceed as quickly as possible.

If you should have any questions regarding Lake County's Neighborhood Stabilization Program or this Request for Qualifications for Rental Housing Program Services, please contact:

Jennifer Miller
847.377.2152
jamiller@lakecountyil.gov.

Attachments:	Attachment 1:	Neighborhood Stabilization Program (NSP)
	Attachment 2:	Rental Housing Program Services Request for Qualifications (RFQ)
	Attachment 3:	NSP Contract
	Attachment 4:	Rental Housing Program Initial Project Proposal

Attachment 1

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

The U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program will provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under [Title III of the Housing and Economic Recovery Act of 2008](#) (HERA).

Lake County has been allocated federal funds by the U.S. Department of Housing and Urban Development (HUD) under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) which established the Neighborhood Stabilization Program (NSP). The purpose of NSP is to stabilize communities and neighborhoods.

Lake County's use of NSP funding is to acquire, rehabilitate, and sell or rent the rehabilitated property to an income eligible household. Properties to be purchased must be bank-owned through foreclosure and vacant for at least ninety (90) days. Households which purchase one of the rehabilitated properties must be at or below 120% of the median family income for Lake County; households which rent one of the rehabilitated properties must be at or below 50% of the median family income for Lake County.

Lake County will accomplish its NSP activities through contracted municipalities and/or non-profit agencies. Agencies approved to provide Rental Housing Program services for to-be-selected foreclosed and vacant single-family or multi-family homes under Lake County's NSP will be providing these services directly to Lake County.

Lake County's Neighborhood Stabilization Program, as approved by HUD, can be accessed at: http://www.lakecountyil.gov/Planning/CommunityDevelopment/Documents/Plans/2008_NSP_Action_Plan_Addendum-REVISED_FINAL.pdf

Attachment 2

RENTAL HOUSING PROGRAM SERVICES **Request for Qualifications (RFQ) - Lake County, Illinois** **Lake County Neighborhood Stabilization Program (NSP)**

Purpose:

To solicit information for the purpose of qualifying experienced Lake County non-profit rental housing agencies to assist Lake County with the Neighborhood Stabilization Program (NSP) in providing Rental Housing Program services including the acquisition, rehabilitation, leasing, and management of to-be-selected foreclosed and vacant single or multi-family residential properties.

Background:

Lake County has been allocated federal funds by the U.S. Department of Housing and Urban Development (HUD) under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) which established the Neighborhood Stabilization Program (NSP). The purpose of NSP is to stabilize communities and neighborhoods.

One of Lake County's eligible uses of NSP funding is to acquire, rehabilitate, and rent the rehabilitated property to an income eligible household. Properties to be purchased must be bank-owned through foreclosure and vacant for at least ninety (90) days. Households which rent one of the rehabilitated properties must be at or below 50% of the median family income for Lake County.

Lake County will accomplish its NSP activities through contracted non-profit agencies with a demonstrated capacity to administer federally-funded housing programs including Community Development Block Grant (CDBG) or HOME Investment Partnerships (HOME) including but not limited to agencies certified as a Community Housing Development Organization (CHDO). This capacity must be grounded in housing acquisition and rehabilitation activities.

Scope of Work:

Via the attached Initial Project Proposal, qualified agencies are required to include a statement of qualifications describing their ability to achieve the activities outlined below:

- 1) Acquire a minimum of five (5) single or multi-family housing units that are abandoned and foreclosed upon and also vacant at the time of acquisition within any of the target areas specified below:
 - Mundelein
 - Round Lake Beach
 - Zion
 - North Chicago
 - Waukegan
 - Round Lake
 - Round Lake Park
 - Round Lake Heights
 - Hainesville
- 2) Rehabilitate the aforementioned units in accordance with Lake County's property standards.
- 3) After rehabilitation, lease the aforementioned units to qualified low/moderate/middle-income (LMMI) households whose incomes do not exceed fifty (50) percent of the area

median income.

- 4) Provide ongoing property management services to the tenants of the aforementioned units beyond the life of the three (3) year program throughout the specified affordability period.

A detailed Project Scope is indicated in the NSP Contract included as Attachment 3.

Additional Requirements:

Via the attached Initial Project Proposal, qualified agencies are also required to include a statement of qualifications describing their ability to meet the additional requirements outlined below:

- 1) Initiation of the aforementioned activities and obligation of the funds provided for under the Contract prior to September 27th, 2010
- 2) Completion of the aforementioned activities and expenditure of the funds provided for under the Contract prior to March 27th, 2013
- 3) Satisfaction of the completion dates for the aforementioned activities as indicated below:
 - Initiate activities: March 15, 2010
 - 25% of activities completed: May 1, 2010
 - 50% of activities completed: June 30, 2010
 - 100% of activities completed: September 27, 2010

In addition, via the attached Initial Project Proposal, qualified agencies must also detail their:

- 1) Prior experience administering federally-funded housing programs including Community Development Block Grant (CDBG) or HOME Investment Partnerships (HOME).
- 2) Their certification status as a Community Housing Development Organization (CHDO).

Selection Criteria:

Agencies will be selected based on materials submitted in response to this RFQ, as well as possible follow up interviews. The following criteria will be utilized to rate and determine each applicant's qualification and should be submitted in a format so that the following four categories are clearly delineated:

Experience	30 pts.	Please provide information and documentation regarding experience in the acquisition, rehabilitation, leasing, and management of rental properties, acceptable to HUD, in a timely manner.
Program Capacity	30 pts.	Please provide information and documentation as to the capacity to acquire, rehabilitate, lease, and manage properties, acceptable to HUD, in a timely manner.
Funding Leverage	30 pts.	Please describe your agency's leverage of additional funds – public or private - for the proposed project including status of funding commitments.
Minority and/or Women's Businesses	10 pts.	Qualifications submitted by documented minority or women's business enterprises will be given special consideration.

Submissions:

Note: Submission of a proposal in response to this RFQ is no guarantee of selection to participate in the NSP or an award of NSP funds. The Community Development Division reserves the right to select, modify, and/or reject any and all submissions at their discretion.

TIME IS OF THE ESSENCE - The funds allocated for NSP must be used within 18 months of initiation of funding by HUD; therefore, initial acceptance of responses from this RFQ will **begin February 19, 2010 and continue through March 5, 2010**. Successful agencies will be notified shortly thereafter. Responding agencies not selected will receive written correspondence informing them that their agency has not been selected.

Submissions may be hand delivered, mailed (postmarked response by March 5, 2010), faxed, or e-mailed to the attention of:

Jennifer Miller
847.377.2152
jamiller@lakecountyil.gov.
Lake County Community Development Division
18 N. County Street, 6th Floor
Waukegan, IL 60085
Fax: 847-984-5745

NEIGHBORHOOD STABILIZATION PROGRAM (NSP) CONTRACT

THIS CONTRACT made this ___ day of **March** __, **2010**, by and between Lake County (hereinafter referred to as "County") and _____, Lake County, Illinois (hereinafter referred to as "Project Sponsor").

WHEREAS, the County has received an allocation of funds for emergency assistance for the redevelopment of abandoned and foreclosed upon homes and residential properties under Title III of the Housing and Economic Recovery Act of 2008, also known as the HERA, to be treated as though such funds were Community Development Block Grant (CDBG) funds under the Housing and Community Development Act of 1974, as amended, and to be administered through the United States Department of Housing and Urban Development (HUD); and

WHEREAS, pursuant to the terms of this allocation, the County developed a Neighborhood Stabilization Program (NSP) (hereinafter referred to as "NSP") for the purpose of acquiring and redeveloping abandoned and foreclosed upon homes and residential properties that might otherwise become sources of blight within the County and submitted a detailed program plan to HUD for review and approval which was subsequently approved; and

WHEREAS, the County, as part of its plan to HUD, has stated that it will select certain non-profit and municipal agencies to acquire and redevelop abandoned and foreclosed upon homes and residential properties, thereby producing affordable housing under the NSP; and

WHEREAS, the County desires to engage the Project Sponsor to provide certain assistance in connection with such undertakings.

NOW, THEREFORE, the County and the Project Sponsor do mutually agree as follows:

1. General Project Description

The Project Sponsor will conduct the following project under the NSP and in accordance with the County's NSP plan:

Project Scope

Eligible costs, as defined further below, associated with the acquisition, rehabilitation, and rental of a minimum of five (5) single or multi-family units.

All NSP-assisted housing units under this Contract must be abandoned and foreclosed upon and also vacant at the time of acquisition.

Target Areas

Although the locations of these units (hereinafter referred to individually as "Property" and more than one the "Properties") are yet to be determined, **each** Property must be located within any of the areas of greatest need as identified in the County's NSP plan. These areas, which include the greatest percentage of home foreclosures, the highest percentage of homes financed with subprime loans, and have been identified locally as likely to face a significant rise in the rate of home foreclosures, are specified below:

- Mundelein
- Round Lake Beach
- Zion
- North Chicago
- Waukegan
- Other Pre-Identified Areas: Round Lake, Round Lake Park, Round Lake Heights, Hainesville

Value Limits

Such Properties shall be foreclosed and vacant for a minimum of ninety (90) days and shall be purchased at a discount from currently market appraised value such that the individual purchase price of the Properties within Project shall be at a minimum, one (1) percent below the current (at time of purchase) market appraised value. Such appraisals must be performed by an appraiser pre-approved and identified by the County.

If the anticipated value of the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the current market appraised value of the property may be established by a valuation of the Property that is based on a review of available data and is made by a person qualified to make the valuation.

Target Beneficiaries

After rehabilitation in accordance with the County's property standards (see Section 12), each Property shall be rented to low/moderate/middle-income (LMMI) households whose incomes do not exceed fifty (50) percent of the area median income. Rental tenants may also be Section 8 program participants.

Eligible Costs

NSP funds may be used to support eligible costs that the County deems to be customary and reasonable associated with the Project as follows:

- Costs of acquisition including purchase price and all usual and customary closing costs.
- Costs of rehabilitation, including supplies, materials, and hiring contractors, subcontractors, and trades necessary to complete the work.
- Usual and customary costs associated with carrying each Property until it is rented to an eligible household, including, but not limited to, management fees, maintenance costs, insurance, and replacement reserves.
- Costs associated with the rental of each property to an eligible household, including, but not limited to, the costs of advertising the unit for rental and preparing required documentation.
- Any other such related costs that have the same intent as this Contract, are eligible for NSP funding, and are pre-approved by the County.

Project Schedules and Milestones

The Project Sponsor agrees to initiate the activities and obligate the funds provided for under this Contract prior to September 27th, 2010 which is eighteen (18) months after the date the Contract between HUD and the County was executed.

The Project Sponsor agrees to complete the activities and expend the funds provided for under this Contract prior to March 27th, 2013 which is four (4) years after the date the Contract between HUD and the County was executed.

The Project Sponsor shall, within fifteen (15) days of the date of this Contract, submit to the Lake County Planning, Building and Development Department a project budget and a schedule for carrying out and completing this project, which must eventually be approved by the Department.

Time is of the essence of this Contract. The Project Sponsor shall be responsible meeting the completion dates for the specified activities as indicated below:

- | | |
|---------------------------------|--------------------|
| - Initiate activities: | March 15, 2010 |
| - 25% of activities completed: | May 1, 2010 |
| - 50% of activities completed: | June 30, 2010 |
| - 100% of activities completed: | September 27, 2010 |

Project Funding

The Project Sponsor is hereby entitled to a maximum payment of _____ **dollars (\$_____)** from the NSP.

2. Definitions

As used in this Contract:

- A. "Abandoned": A Property whereby mortgage or tax foreclosure proceedings have been initiated, no mortgage or tax payments have been made by the Property owner for at least ninety (90) days, and the Property has been vacant for at least ninety (90) days.
- B. "Activity": An address-specific, eligible use of NSP funds for which an income-eligible beneficiary has been or will be identified.
- C. "Activity Completion": Interchangeable with "Project Completion" as defined in 24 CFR Part 92 §92.2.
- D. "Area Median Income": The median household income distribution range (consisting of two equal parts of one-half of the households falling below the median household income range and one-half being above the median household income range) for a metropolitan area or a non-metropolitan county, adjusted for household size, which is calculated annually by HUD for use in determining eligibility for housing programs.
- E. "Blighted Structure": A structure that exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.
- F. "Contractor": An entity other than a Project Sponsor (except as noted in the Labor Standards Provisions), that furnishes to the Project Sponsor services or supplies (other than standard commercial supplies, office space or printing services).
- G. "Current Market Appraised Value": The value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and completed within sixty (60) days prior to an offer made for the Property.
- H. "First Time Homebuyer": An individual and his or her spouse who have not owned a home during the three (3) year period prior to purchase of a home with assistance under the NSP. The term first time homebuyer also includes an individual who is a displaced homemaker or single parents who have only owned a home previously with a former spouse.
- I. "Foreclosure": A Property whereby mortgage or tax foreclosure proceedings have been completed including title transfer or deed in lieu of foreclosure.
- J. "HUD": The U.S. Department of Housing and Urban Development, its Secretary or a person authorized to act on his/her behalf.
- K. "Homeowners" and "Homeownership": Ownership in a fee simple title or a ninety-nine (99) year leasehold interest in a single family unit, a condominium unit, or an equivalent form of ownership approved by the County. For rehabilitation programs, Homeownership signifies a NSP-assisted housing project that benefits either existing or future on-site income eligible homeowner households. In all cases, NSP-assisted housing must be the owner's principal residence.
- L. "Homes": Permanent residential unit.
- M. "Lake County Community Development Commission (CDC)": A local commission with the authority of the Lake County Board that is charged with administrative review and approval of the local implementation of the NSP Program. The CDC serves as the review panel for all locally proposed programmatic and related policy changes.
- N. "Lake County Planning, Building and Development Department": The Lake County staff responsible for the local administration and enforcement of the NSP Program.
- O. "Low-Middle-Moderate-Income or LMMI": A household with an annual income equal to or less than one hundred twenty (120) percent of the area median income.
- P. "Monitoring Agency": The Lake County Planning, Building & Development Department is the designated agency monitoring NSP-assisted housing projects under this Contract.
- Q. "Non-Expendable": Refers to goods that are not ordinarily consumed in use and retain their original identity during the period of use.
- R. "Obligation of Funds": Orders are placed, contracts are awarded, services are received, and

similar transactions have occurred that require payment by the County or Project Sponsor during the same or future period. Note that funds are not obligated for an activity when subawards (i.e. grants to Project Sponsors) are made.

- S. "Program": The Neighborhood Stabilization Program (NSP) approved by HUD that governs this Contract and may be amended from time to time.
- T. "Program Income": Gross income (repayment, interest, or other appropriate return on investment of NSP funds) received by the Project Sponsor directly generated from the use of NSP funds as defined in 24 CFR 570.500(a), 24 CFR 570.504(b) and 24 CFR 570.504(c). Program Income must be remitted by the Project Sponsor to the County within thirty (30) days of receipt.
- U. "Project": The activity or group of activities covered by this Contract. Please note – in some instances a project may be part of a larger program activity such as First-Time Homebuyer Assistance or Homeowner Rehabilitation. For this reason, this Contract references both project and program activities funded with NSP dollars.
- V. "Project Completion": All necessary title transfer requirements and construction work have been performed; the project complies with all the requirements of this Contract including the property standards; the final drawdown has been disbursed for the project; the Project Sponsor has submitted an acceptable project completion report; and the project completion information has been entered in the disbursement and information system established by HUD and the County.
- W. "Project Sponsor": The entity, whether public or private, which has the responsibility for administering a NSP-assisted housing project funded under this Contract.
- X. "Residential Property": Homes as well as vacant residential land and multifamily properties.
- Y. "Vacant": Unoccupied structures or vacant land that was once developed.

3. Attachments

The following Appendices are attached and made part of this Contract:

- Appendix I: Minority/Women Business Enterprise Outreach Program
- Appendix II: Affirmative Marketing Policy
- Appendix III: Resale and Recapture Guidelines for Homebuyers or Developers
- Appendix IV: Drug Free Workplace Requirements and Certification

4. Amendments

Any revision to this Contract shall be made by written amendment to this Contract only by the County. This Contract, including exhibits attached hereto in the Appendices and incorporated herein by reference, represents the entire Contract between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements, and understandings relating thereto. This Contract supersedes all previous verbal and written contracts between the County and the Project Sponsor pertaining to this NSP-assisted housing project.

5. Monitoring Agency

Any information or questions regarding this Contract, project approval, termination, amendments, reports and records required, etc., should be directed to the Monitoring Agency. The designated agency monitoring activities under this Contract is the:

Lake County Planning, Building & Development Department
18 North County Street
Waukegan, Illinois 60085-4356

The Monitoring Agency will provide project and program updates to the Lake County Community Development Commission from time to time. The Lake County Community Development Commission will make all decisions regarding Contract approvals, amendments, and terminations.

6. Compliance With Approved Program

All activities authorized by this Contract shall be performed in accordance with the approved County Annual Action Plan, local policies and procedures, code compliance, plans and specifications, and the relevant HUD regulations, particularly 24 CFR Part 570. The Project Sponsor is required to be

aware of and familiar with the aforementioned stated guidance.

7. Subcontracting

The performance covered by this Contract shall not be subcontracted, assigned or delegated without the prior written consent of the County. In cases where the County provides prior approval for the subcontracting, assignment, or delegation of performance covered by this Contract, said subcontractor will be bound by all provisions identified in this Contract.

8. Award/Compliance With Approved Schedule

It is expressly understood and agreed that in no event will the County pay the Project Sponsor more than the award stated above, for full and complete satisfactory performance of this Contract for the proposed Project. The County shall pay out NSP funds to the Project Sponsor for fulfilling this Contract as provided in accordance with the terms and conditions contained herein.

9. Program Income

Pursuant to 24 CFR 570.500(a), 24 CFR 570.504(b) and 24 CFR 570.504(c), program income received under NSP includes revenue generated by the sale or rental of housing units acquired, redeveloped, or rehabilitated with NSP funds; principal and interest payments on NSP-funded loans; or the return of NSP funds by the Project Sponsor. The Project Sponsor cannot subtract debt services from Program Income.

Any Program Income (repayment, interest, or other appropriate return on investment of NSP funds) realized from funds governed by this Contract shall be remitted to the County within thirty (30) days of receipt by the Project Sponsor. All Program Income remitted by the Project Sponsor to the County will be reprogrammed to NSP projects which may be distinct from the original project source within the first five (5) years. Program income received after five (5) years will be returned to the United States Treasury. This conversion date, per NSP requirements, is anticipated to be July 30, 2013.

10. Affordability And Duration Of Agreement

NSP-assisted housing units must follow all applicable requirements under 24 CFR Part 92, Subpart F. As part of those requirements, NSP-assisted housing under the NSP twenty-five (25) percent rental housing set-aside provision must remain affordable for not less than the applicable period as specified in the following table, beginning at Activity Completion, without regard to the term of the loan or mortgage or to the transfer of ownership. To ensure affordability, the Project Sponsor must annually recertify compliance with this Subpart and keep records for review by the County sufficient to document such affordability and duration. This Contract shall remain in full force and effect until the expiration of the period of affordability, as applicable.

Affordability Requirements For The NSP Program

<u>Rental Activities*</u>	<u>Minimum period of Affordability</u>
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years
Acquisition of newly constructed housing	20 Years

* Rehabilitation and/or acquisition of existing housing based upon per unit expenditure of NSP funds.

<u>Homeownership Activities</u>	<u>Minimum period of Affordability</u>
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years
Acquisition of newly constructed housing	20 Years

If the NSP-assisted housing does not meet affordability requirements for the term stated herein, all NSP funds expended on the activity must be repaid within 30 days notice of non-compliance. Additionally, the Resale and Recapture provisions described in Appendix III hereto will remain in place for the entire term of affordability.

If NSP funds assist a Property that was previously assisted with Home Investment Partnership (HOME) Program funds, but on which the affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure pursuant to 24 CFR Part 92, the County will revive the HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of NSP.

11. Project Beneficiaries

A. Rental Housing

Each rental project must meet the following requirements:

1. Affordable Rents

Affordable rents under the NSP program shall be the maximum allowable High HOME rent, as periodically published by HUD.

NSP-assisted rental units must have rents at or below thirty (30) percent of the annual gross income of a family whose income equals fifty (50) percent of the area median income for the County, adjusted for unit size;

The above rents must include an allowance for utilities if the utilities are to be paid by the tenant. All utility allowances must conform to the utility allowance schedule approved in advance by the County.

2. Income Targeting

All NSP-assisted rental units must be occupied by families who have annual gross incomes that are fifty (50) percent or less of the County's area median income, adjusted for family size;

B. Homeownership

Each homeownership project must meet the following requirements:

1. Affordable Housing Costs

Although there is no mandated homeownership ratio, as there is for rental housing, HUD typically recommends that a household does not spend more than thirty to thirty-five (30 – 35) percent of their adjusted gross income on housing costs for homeownership. Per this Contract, the County requires that any NSP-assisted homebuyer may not spend in excess of thirty-five (35) percent of their income on housing costs.

The Project Sponsor should evaluate each individual household's ability to maintain affordable housing costs within their current financial means. For NSP-assisted housing projects, this may be accomplished by determining each individual households "housing – to – income" ratio or other appropriate method that ensures a NSP-assisted household is not paying excessive housing costs.

2. Income Targeting

All of the NSP funds used for homeownership assistance must benefit households with incomes at or below one-hundred twenty (120) percent of the County's area median income. Project beneficiaries must be either First-Time Homebuyers or existing Homeowners. Additionally, the NSP-assisted housing must be the owner's principal residence.

12. Property Standards

NSP-assisted housing, at a minimum, must meet Housing Quality Standards, the International Residential Building Code, and local housing codes in compliance with 24 CFR 92.251 for the duration of this Contract. Green building practices and energy efficiency improvements are encouraged.

Written proof that NSP-assisted housing meets these prescribed property standards must be submitted to the County prior to occupancy actually occurring. Proof, such as a municipal occupancy permit or a signed final inspection report, would identify that the contracted NSP-assisted housing activities were in fact finalized and that a NSP-assisted household could actually move in or occupy the NSP-assisted housing unit.

13. Per Unit Subsidy Limits

NSP maximum per unit subsidy limits are based on the Section 221(d)(3) limits for elevator-type projects. All housing units constructed or rehabilitated with NSP funds must also conform to the HUD-prescribed Subsidy Limit in effect at the time of NSP financial assistance. These limits are determined by the HUD Office of Multi-Family Housing Programs.

14. After-Rehabilitation Value Limits

All housing units rehabilitated with NSP funds must also conform to the HUD-prescribed after-rehabilitation value limit in effect at the time of NSP financial assistance. Accordingly, a method and documentation prescribing the pre-rehabilitation value must be presented by the Project Sponsor for eventual acceptance by the County.

15. After-Rehabilitation Sales Pricing Limits

In determining after-rehabilitation sales pricing, the sale of such Property shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such property up to a decent, safe, and habitable condition. Accordingly, the maximum sales price for a Property is determined by aggregating all costs of acquisition, redevelopment, and/or rehabilitation.

16. Lease Terms For Rental Projects

All leases for Property assisted under this Contract shall comply with the tenant protection provisions of 24 CFR 92.253 throughout the term of this Contract. Lease terms must be a minimum of twelve (12) months.

17. Resale Of Property

In accordance with the provisions of 24 CFR 92.254, resale of properties acquired by a homebuyer or developer under the NSP Program must be subject to the guidelines found acceptable by HUD and the County as delineated in Appendix III. Additionally, prior to contracting to sell a property covered by this Contract, the Project Sponsor must provide to the County for its review and approval the proposed Contract of sale and any conveyance documents.

18. Enforcement

To ensure compliance with the affordability and owner-occupancy requirements, such provisions as land use or deed restrictions, liens on real property or other action shall be required, as applicable to the NSP-assisted activity.

19. Fiscal And Administrative Responsibilities

The Project Sponsor agrees to comply with the regulatory provisions as indicated below based on Project Sponsor type and other applicable requirements and standards:

- OMB Circular A-87
- OMB Circular A-122
- OMB Circular A-133
- 24 CFR Part 84
- 24 CFR Part 85

A. Allowable and Allocable Costs.

Costs must be necessary, reasonable and directly related to the scope of services of this Contract. In addition, costs must be legal and proper.

B. Documentation of Costs.

All costs shall be supported by properly executed payroll claim forms, time keeping records, invoices, contracts, vouchers or other official documentation evidencing in detail the nature and propriety of charges. All project work contracted between the Project Sponsor and external vendors must be supported by written contractual agreements defining the scope of work with line item detail task descriptions and associated costs, a timeline for completion, insurance coverage, and recourse for non-performance. Approved bid specifications and project work estimates do not qualify as written contracts. All checks, payroll claim forms, invoices, contracts, vouchers, purchase orders, or other accounting documents pertaining in whole or in part to this Contract shall be clearly identified and readily accessible in both the Project Sponsor's files and in written supporting documentation provided to the County.

C. Restriction on Disbursements.

1. The Project Sponsor may not request partial or full disbursement of funds under this Contract until the funds are needed for reimbursement of payment for eligible costs that have actually previously been incurred. The amount of each request must be limited to the amount of incurred eligible costs.
2. No money under this Contract shall be disbursed by the Project Sponsor to any Contractor except pursuant to a written contract which incorporates the applicable requirements of this Contract and HUD regulations.

D. Records and Reports.

1. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by HUD or the County with respect to all matters covered by this Contract. Except as otherwise authorized by HUD, such records (i.e. inspection reports, building permits, subcontractor contracts and payments, plans, specifications, project beneficiaries, etc...) shall be maintained for a period of five (5) years after receipt of final payment under this Contract.
2. Reports.
 - (a) At such times and on such forms as HUD or the County may require, reports shall be furnished to HUD or the County regarding records, data and information pertaining to matters covered by this Contract.
 - (b) The Project Sponsor shall submit to the County a project setup report at the time the project beneficiary is contractually obligated to participate in the program or project. The Project Sponsor must also submit quarterly progress reports to the County on or before the fifteenth (15) day of the next month following the close of the quarter. The quarterly progress reports shall include details of all program income funds. An annual progress report summarizing the progress/status of the NSP-assisted activity shall be submitted at the close of the annual program year. Additionally, the Project Sponsor shall provide statistical data with respect to services provided and persons benefited under this Contract via the Project Completion Report which is due on or before ninety (90) days after project completion.
 - (c) The Project Sponsor shall provide other reports and records as required to satisfy HUD inspections, County requirements and/or NSP requirements.

3. Non-Expendable Property.
 - (a) Inventory. The Project Sponsor shall keep inventory records, acceptable to the Consortium, on all Non-Expendable Property purchased under this Contract. The Project Sponsor shall submit an inventory record of all items at the end of the program year and resubmit it each fiscal year with revisions as necessary.
 - (b) Insurance and Maintenance. For all Non-Expendable Property purchased under this Contract, the Project Sponsor shall maintain sufficient insurance to cover the cost of replacement due to loss by fire, theft, or accidental damage. Proof of liability insurance naming the County as an additional insured must be submitted to the County on an annual basis. The Project Sponsor shall also be responsible for the maintenance and upkeep of all such property.

E. Audits and Reviews:

1. County and Federal Audits.
 - (a) The County shall require an independent agency-wide audit annually, evidence of which must be submitted to the County. In any case, the County may arrange for its own staff or for an independent certified public accountant to make periodic audits of the fiscal and accounting operation of the Project Sponsor.
 - (b) The County may make an examination of the Project Sponsor's fidelity bonding and fiscal and accounting procedures to determine whether these procedures meet the requirements of this Contract.
 - (c) At any time during normal business hours and as often as the County, HUD and/or the Comptroller General of the United States may deem necessary, there shall be made available to the County, HUD and/or representatives of the Comptroller General for examination all of its records with respect to all matters covered by this Contract. Further, the Project Sponsor shall permit the County, HUD, and/or representatives of the Comptroller General to audit, examine and make excerpts of transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Contract.
2. Periodic Review.

At regular intervals during the term of this Contract the County may conduct reviews of the content and progress of the Project Sponsor services. If, as a result of such review, it is the opinion of the County that revisions to this Contract are necessary or the methods employed by the Project Sponsor are inappropriate, the County may require such revisions by notifying the Project Sponsor in writing. Upon receipt of such notification of revision, the Project Sponsor shall, within ten (10) days, propose the manner in which such revisions shall be made. The proposed revisions shall be subject to the County's written approval and amendment to this Contract.

F. Project Close-Out.

In the event the Project Sponsor does not expend the amount allocated under this Contract or the project is canceled, expired, assigned or terminated for any reason, any funds not claimed by the Project Sponsor and approved by the County for allowable costs by the end of the term or by the date of cancellation, expiration, assignment, or termination of this Contract, as the case may be, shall no longer be payable to the Project Sponsor under this Contract. Said funds will be reprogrammed at the discretion of the County and will not be automatically redistributed to other projects managed by the same Project Sponsor.

G. Reversion Of Assets

Pursuant to 24 CFR Part 84, 24 CFR 570.502, 24 CFR 570.503, 24 CFR 570.504, 24 CFR

570.505, upon expiration or termination of this Contract, the Project Sponsor must transfer to the County any NSP funding on hand at the time of expiration or termination and any accounts receivable attributable to use of NSP funds. Since the Project also involves real property that the Project Sponsor has acquired or improved with NSP funds in excess of \$25,000, recapture of these funds has been ensured by recording of mortgages as specified elsewhere in this Contract. If, prior to March 27th, 2014 any Property under this Contract still owned by the Project Sponsor has not been maintained for the purposes described in this Contract, the Project Sponsor shall pay to the County an amount equal to the current market value of the Property less any portion of the value attributable to expenditures of non-NSP funds for the acquisition of, or improvement to, the Property.

H. Termination.

1. Pursuant to 24 CFR 85.43, the County may terminate this Contract in whole or in part for cause. The County will initiate termination by issuing a Notice of Failure, identifying the cause for termination and giving the Project Sponsor thirty (30) days to cure the failure in accordance with the provisions in the Contract. If the failure is not cured within thirty (30) days, the County will terminate the Contract. Cause for termination shall include but not be limited to the following:
 - (a) failure, for any reason, of the Project Sponsor to fulfill in a timely and proper manner its obligations under this Contract, including compliance with the approved program and Contract conditions, and such statutes, executive orders, and HUD directives as may become applicable at any time;
 - (b) submission by the Project Sponsor to the County of reports that are materially incorrect or incomplete or not submitted in the proper format or timeframe;
 - (c) improper use of funds provided under this Contract;
 - (d) failure of the Project Sponsor to supply the County with quarterly or annual reports and the data necessary to the continuing planning process of the County;
 - (e) suspension or termination by HUD of the NSP allocation to the County under which this Contract is made, or the portion of it delegated by this Contract; provided, however, that if the NSP allocation is merely reduced and in the absence of any contrary HUD directive, the Project Sponsor may readjust its budget and recommend Contract amendments to the County.
 - (f) failure to comply with the approved project schedule.
2. The County may also terminate, assign or transfer this Contract when required by HUD.
3. The Project Sponsor may propose to terminate this Contract in whole or in part, for good cause only by giving at least thirty (30) days written notice specifically stating the cause for such requested termination. Any such request for termination shall be subject to the written approval of the County, and will be acted upon by the County within ten (10) days of receipt of the notice of request to terminate. The County shall have sole discretion whether to approve or disapprove any such requested termination. The decision of the County shall be final and conclusive.
4. If this Contract is terminated or cancelled for any reason prior to the completion of an Activity, all NSP funds spent on the Activity must be repaid by the Project Sponsor to the County within thirty (30) days of termination. Additionally, the Resale and Recapture provisions described in Appendix III hereto will remain in place for the entire term of affordability.

20. Equal Opportunity And Fair Housing

Pursuant to 24 CFR 570.601-602, 24 CFR 570.607, 41 CFR 60, and Executive Order 12086 the Project Sponsor agrees to comply with the provision that no person shall on the grounds of race, color, national origin, religion, sex, familial status (including children under the age of eighteen living with parents or legal custodians, pregnant women, and people securing custody of children under the age of eighteen), and handicap (disability), be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or Activity funded in whole or in part with NSP funds. In addition the Project Sponsor agrees to comply with the following:

- A. Fair Housing Act: *Title VIII of the Civil Rights Act of 1968*, (42 U.S. C. 3601-20) and implementing regulations at 24 CFR 100 as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions based on all of the protected classes described above.
- B. Title VI of the Civil Rights of 1964 (42 U.S.C. 2000d) and implementing regulations issued at 24 CFR part 1, prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.
- C. Title II of the Americans with Disabilities Act of 1990 prohibits discrimination based on disability in programs, services, or activities provided or made available by public entities. HUD enforces this provision as it relates to state and local public housing, housing assistance, and housing referrals.
- D. Architectural Barriers Act of 1968 requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds must be accessible to and useable by handicapped (disabled) persons.
- E. Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR 146, prohibits discrimination on the basis of age programs or activities receiving federal financial assistance.
- F. Executive Order 11063, as amended by Executive Order 12259 and implementing regulations at 24 CFR 107 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
- G. Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally-conducted programs and activities.
- H. Executive Order 12898 requires that each federal agency conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.
- I. Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities (handicaps).
- J. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR 8, prohibits discrimination against handicapped disabled individuals;
- K. Executive Order 11246 and implementing regulations at 2 CFR 1964-65, Equal Employment Opportunity, and 41 CFR chapter 60, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.
- L. Executive Order 12892, as amended, requires federal agencies to affirmatively further fair

housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating this effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD. The Project Sponsor will assist the County to affirmatively further fair housing in its NSP-assisted housing projects.

- M. The Fair Housing Amendments Act of 1988, which prohibits discrimination in the sale or rental of housing on the basis of a handicap disability or because there are children in a family;
- N. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701U) as amended and implemented by regulations set forth by 24 CFR 135:
 - 1. Where feasible, priority should be given to low- and very low-income persons residing within the service area of the project or the neighborhood in which the project is located and to participants in Youthbuild programs, located within the County, and
 - 2. Where feasible, priority should be given to business concerns which provide economic opportunities for low- and very low-income persons residing within the service area of the project or the neighborhood in which the project is located and Youthbuild programs, located within the County.

21. Minority Business Enterprise (MBE) And Women's Business Enterprise (WBE) Outreach Program

The Project Sponsor agrees to comply with the requirements of Executive Orders 11625, 12432, and 12138, concerning Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE), and the policy (attached in Appendix I) of the County which further supports and encourages the participation of minority and women owned businesses (MBE/WBE) in the benefits of the NSP program, as indicated below:

- A. The Project Sponsor must have written procurement procedures that will seek bid proposals and award contracts to organizations with the most cost effective and responsive bid or quote. Therefore, MBE/WBE's and all other bidders offering services needed by the Project Sponsor to carry out the NSP Program will have equal access to available contracts and business.
- B. The Project Sponsor must keep records and submit to the County at least quarterly information that identifies all MBE/WBE's utilized on their project and document efforts in obtaining bids, price quotes or proposals from MBE/WBE's for their particular NSP-assisted housing project. The Monitoring Agency will tabulate the utilization of MBE/WBE's by all participants and submit the required reports to HUD.

22. Affirmative Marketing

The Project Sponsor agrees to carry out the County policies and requirements for affirmative marketing as indicated below and in attached Appendix II.

- A. The Project Sponsor must inform the public, owners, and potential tenants about Federal fair housing laws and the County's and the Project Sponsor's Affirmative Marketing plans and policies.
- B. The Project Sponsor must develop and submit an affirmative marketing plan to the County. The County will evaluate the impact of the Project Sponsor's affirmative marketing procedures to ensure that they are meeting the goals of affirmative marketing.
- C. The Project Sponsor must identify, for each funded project, populations that are least likely to apply without special outreach, and tailor affirmative marketing requirements accordingly. Special outreach may be conducted through targeted media or through community contacts including individuals or organizations that are well known in the project area and that can influence persons within groups considered least likely to apply.

Such contacts may include but are not limited to neighborhood, minority, and women's organizations, churches, labor unions, employers, public and private agencies, or disability advocates.

- D. The Project Sponsor must communicate the Equal Opportunity message, or the approved Equal Opportunity logotype or slogan, in outreach to the general public. This must be inserted into all written outreach tools, such as press releases, newsletters, brochures, advertisements, direct mail solicitations, requests for proposals, and related advertising.
- E. The Project Sponsor must demonstrate capacity to provide training and information on Federal fair housing laws and objectives to staff. The County will annually assess the success of the Project Sponsor in affirmative marketing via remote or on-site monitoring and identify what corrective actions must be taken where affirmative marketing requirements have not been met in the monitoring report. In the event that a project/program violates the County's Affirmative Marketing Policy, the County will counsel the Project Sponsor about the proper program procedures to ensure future compliance. If there is a second incidence of noncompliance, or in any event of willful noncompliance, the Project Sponsor will be required to seek counseling from the Lake County Fair Housing Center. Upon further noncompliance, the Project Sponsor will be debarred from future participation in the NSP and other County-funded programs and possible foreclosure of the lien.
- F. The Project Sponsor will maintain records describing actions taken to affirmatively market units and records to assess the results of these actions including copies of correspondence, public advertisements, lists of areas in which flyers have been distributed, contacts with other Equal Opportunity agencies, and any other relevant documents.

23. Relocation And Acquisition

The Project Sponsor agrees to comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, (42 U.S.C. 4601), and 49 CFR 24. Costs associated with relocation are not eligible for reimbursement under this Contract without express prior written approval from the County.

24. Environmental Review

The Project Sponsor shall cooperate with the County in its responsibilities pursuant to HUD's environmental review process, as it is applied at 24 CFR Part 58, and Subpart K of 24 CFR 570, as amended, and shall permit the County or its designees or employees to conduct site inspections, conduct appropriate tests, examination of applicable documents, and such other activities as the County deems appropriate in order to fulfill its responsibilities in implementation of the policies of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, et seq.). The County shall not make any payments contemplated under this Contract until the environmental review process has been completed by the County, nor may any costs be incurred by Project Sponsor until completion of the environmental review process unless exempt from such environmental review. The Project Sponsor will be notified by the County when costs may begin to be incurred.

25. Labor Standards

When applicable for new construction or rehabilitation of affordable housing with eight (8) or more NSP-assisted units, the Project Sponsor agrees to comply with the provisions of 24 CFR 92.354, Davis Bacon Act, Fair Labor Standards Act, Copeland Anti-Kickback Act, Contract Work Hours and Safety Standards Act, and related local requirements which may be issued from time to time by the County. The Project Sponsor shall include in applicable construction contracts the provisions of federal law imposing labor standards on federally-assisted construction.

26. Flood Disaster

The Project Sponsor agrees to comply with the provisions of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.) and as implemented by the regulations set forth in 24 CFR 570.605 which impose specific prohibitions and conditions upon acquisition, new construction or rehabilitation of a federally assisted project located in an area identified as having special flood hazards.

27. Conflict Of Interest

The Project Sponsor agrees to comply with the conflict of interest provisions of 24 CFR 84.42 and 24 CFR 570.611 as well as the following:

- A. No officer, employee, agent, consultant, elected officials or appointed officials of the County, or its designees or agents, member of the governing body of the County or the Project Sponsor (and no one with whom they have family, personal, business or professional ties) who exercise or have exercised any functions or responsibilities with respect to projects assisted with NSP funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or benefit from a NSP-assisted project, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family, personal, business or professional ties, during his or her tenure or for one year thereafter, shall have any personal or financial benefit, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the NSP-assisted project funded under this Contract.
- B. The Project Sponsor agrees that it will incorporate into every written contract the following provision: "INTEREST OF CONTRACTOR AND EMPLOYEES: The Contractor covenants that no officer, employee, agent, consultant, elected officials or appointed officials of the Contractor, or its designees or agents, member of the governing body of the Contractor (and no one with whom they have family, personal, business or professional ties) who exercise or have exercised any functions or responsibilities with respect to projects assisted with NSP funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or benefit from a NSP-assisted project, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family, personal, business or professional ties, during his or her tenure or for one year thereafter, shall have any personal or financial benefit, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the NSP-assisted project funded under this Contract.

28. Prohibition Of, And Elimination Of, Lead-Based Paint Hazard

Notwithstanding any other provision, the Project Sponsor agrees to comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.) and the Residential Lead-Based Paint Hazard Reduction Act of 1992, (42 U.S.C 4851, et seq.) and its regulations set forth in 24 CFR 35 concerning testing, prohibition, and abatement of lead based paint in NSP-assisted housing. Every contract or subcontract including painting, pursuant to which such federally assisted construction or rehabilitation is performed, shall include appropriate provisions prohibiting the use of lead-based paint.

29. Prohibition Of Assistance For Religious Activities And Organizations

NSP funds may not be used to engage in inherently religious activities, such as worship, religious instruction, or proselytization in accordance with 24 CFR 570.200(j). An organization that participates in the NSP Program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief. NSP funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities.

30. Certification Regarding Lobbying

Pursuant to 24 CFR 87.100, the undersigned representative of the Project Sponsor certifies, to the best of his or her knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Project Sponsor, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Project Sponsor, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned representative of the Project Sponsor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The undersigned representative of the Project Sponsor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, agreements) and that all subrecipients shall certify and disclose accordingly.
- D. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

31. Certification Regarding Debarment, Suspension, Ineligibility And Voluntary Exclusion - Lower Tier Covered Transactions

Pursuant to 24 CFR 24, a person who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities. The undersigned representative of the Project Sponsor certifies, to the best of his or her knowledge and belief, that:

- A. Neither the Project Sponsor nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Contract or any other covered transactions by any Federal agency; and
- B. The Project Sponsor will include the following clause without modification, in all proposals, agreements, contracts, or other lower tier covered transactions: "Certification Regarding Department, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction: (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or the Project Sponsor. (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal."

32. Compliance With Federal Rules And Regulations

The Project Sponsor agrees to abide by all applicable federal rules and regulations, as amended from time to time, including but not limited to those federal rules and regulations referred to in this Contract. All unexpended funds allocated under this Contract may be suspended or terminated upon refusal to accept any additional conditions that may be imposed by HUD and the County at any time or if the NSP allocation to the County under Title III of the Housing and Economic Recovery Act

of 2008, also known as the HERA, is suspended or terminated.

33. Claims Against County

The Project Sponsor agrees to defend, indemnify and hold harmless the County from any and all claims of any nature whatsoever which may arise from the Project Sponsor's performance of this Contract; provided, however, that nothing contained in this Contract shall be construed as rendering the Project Sponsor liable for acts of the County, its officers, agents or employees.

IN WITNESS WHEREOF, the County and the Project Sponsor have executed this Contract including all Appendices as of the date first above written.

Lake County

Suzi Schmidt
Chair, Lake County Board

Date

Authorizing Official (signature)

Name

Authorizing Official Title

Date

Appendix I - Lake County Guidelines

Minority/Women Business Enterprise Outreach Program

The County shall attempt to maximize the participation of Minority-Owned and Women-Owned Business Enterprises (M/WBE) in projects funded through the NSP. Requests for proposals from, and contracts awarded by, the County and/or recipients of NSP funds will also be subject to applicable federal, state and local procurement standards.

Definition of Minority-Owned and Women-Owned Business Enterprises

Any relevant business that is at least 51% **owned, operated, and controlled** by one or more minority person(s) or women shall be considered a Minority-Owned or Women-Owned Business Enterprise.

The County intends to implement the following procedures in an attempt to achieve maximum participation by M/WBE in the NSP and other programs funded by the U.S. Department of Housing and Urban Development (HUD):

- A. Administration of the M/WBE Outreach Program will be the responsibility of the Community Development Deputy Director for the Lake County Department of Planning, Building and Development.
- B. To help contractors and partner agencies expand the use of Minority-Owned and Women-Owned Businesses Enterprises, the Illinois Capital Development Board maintains a directory of firms certified as M/WBE by the Illinois Department of Transportation or the Illinois Department of Central Management Services. This database is searchable by county and trade. All local Minority-Owned and Women-Owned Business Enterprises will be encouraged to apply for inclusion on this list. The database is available online at the following website:
www.cdb.state.il.us/CDBWEB_MBEFBE.nsf/websearch?OpenForm. The Lake County Planning, Building, and Development Department will also provide assistance in navigating this website and/or provide a current printed list of M/WBE from this website upon request.
- C. Recipients of NSP funds will be required to identify all M/WBE utilized on their project and document efforts in obtaining bids, price quotes or proposals from M/WBE's for their particular project. The Lake County Community Development Division will tabulate the utilization of M/WBE's by all participants and submit the required reports to HUD.
- D. Lake County Planning, Building, & Development staff will work with Lake County Partners to sponsor and/or participate in local business conferences and encourage the increased utilization of M/WBE. The County will also take every opportunity to express its interest in the use of M/WBE for its own projects.
- E. County staff will develop informational materials on contract/subcontract opportunities for Minority-Owned and Women-Owned Business Enterprises. These materials will be available at the Community Development Division of the Lake County Planning, Building, & Development Department and on Lake County's website located at:
www.lakecountyil.gov
- F. Recipients of NSP Funds will be required to have procurement procedures that will award contracts to organizations with the most cost effective and responsive bid or quote; therefore, M/WBE's and all other bidders will have equal access to available contracts and business.
- G. This statement of public policy and commitment to M/WBE shall be published

annually in a newspaper of general circulation. The publication will appear whenever new funding is awarded, but not less frequently than once per year.

For further information about Minority-Owned and Women-Owned Business Enterprises, please contact: **Lake County Community Development Division of the Planning, Building and Development Department, 18 N. County Street, Waukegan, IL 60085**, at (847) 377-2150 between the hours of 8:30 a.m. and 5:00 p.m.

Appendix II - Lake County Guidelines

Affirmative Marketing Policy

The County adheres to an affirmative marketing policy for rental and homebuyer projects containing 5 or more NSP-assisted housing units. The purpose of the affirmative marketing policy is to describe the actions that will be taken to inform and recruit eligible tenants and/or homebuyers without regard to race, color, national origin, sex, religion, familial status or disability.

It is the policy of the County to require all rental and homebuyer projects/programs containing 5 or more NSP-assisted housing units to develop and follow affirmative marketing procedures. The affirmative marketing procedures must be approved by the County prior to marketing any NSP-assisted housing unit. The affirmative marketing procedures must continue throughout the period of affordability and must contain the following:

- A. **Targeting:** Identify the segments of the eligible population which are least likely to apply for housing without special outreach efforts.
- B. **Outreach:** Outline an outreach program which includes special measures designed to attract those groups identified as least likely to apply and other efforts designed to attract persons from the total population.
- C. **Indicators:** State the indicators to be used to measure the success of the marketing program as well as the manner and frequency in which those indicators will be reviewed.
- D. **Staff Training:** Demonstrate the capacity to provide training and information on fair housing laws and objectives to staff.

Projects/Programs are required to make a good faith effort to carry out the provisions of their approved affirmative marketing procedures. Good faith efforts are documented activities such as:

- A. Advertising in print and electronic media that is used and viewed or listened to by those identified as least likely to apply.
- B. Marketing housing to specific community, religious or other organizations frequented by those least likely to apply.
- C. Developing a brochure or handout that describes the facility and any services to be provided as well as the accessibility for persons with physical disabilities.
- D. Insuring that the sales/management staff has read and understands the Fair Housing Act and the purpose and objectives of the affirmative marketing procedures.

In addition, all programs/projects should use the Equal Housing Opportunity logotype or slogan in press releases and advertisements and display a fair housing poster in their management office. The program/project must keep files documenting affirmative marketing efforts which will include: copies of correspondence, public advertisements, lists of areas in which flyers have been distributed, contacts with other Equal Opportunity agencies, and any other relevant documents.

During the routine NSP monitoring visits, the County will review the affirmative marketing files as well as the indicators that the program/project used to measure the success of the affirmative marketing procedures. The County will indicate any corrective action that is required in the County's monitoring report.

In the event that a project/program violates the County's Affirmative Marketing Policy, the County will counsel the owner about the proper program procedures to ensure future compliance. If there is a second incidence of noncompliance, or in any event of willful noncompliance, the owner will be required to seek counseling from the Lake County Fair Housing Center. Upon further noncompliance, the owner will be debarred from future participation in the NSP and other County-funded programs and possible foreclosure of the lien.

Appendix III - Lake County Resale and Recapture Guidelines for Homebuyers

These guidelines apply when a homebuyer or developer is assisted with NSP funds and the homebuyer sells or transfers the assisted property subsequent to the initial NSP-assisted purchase.

Period of Affordability

Consistent with 24 CFR Part 92.254(a)(4), the following minimum period of affordability shall be enforced:

<u>NSP Amount Per Unit</u>	<u>Minimum Period of Affordability</u>
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years
Acquisition of newly constructed housing	20 Years

The County may use NSP Program funds to provide homeownership assistance. The forms of subsidy to be used to assist homebuyers and/or developers include down payment assistance, interest subsidy, development cost subsidy, direct loan, project grant, or some combination of these methods. The County shall determine based upon the type of subsidy, form of ownership and type of market in which the property is located, whether the period of affordability shall be enforced by either Resale or Recapture provisions.

Resale Provisions

Activity Types - Resale provisions as outlined in 24 CFR Part 92.254(a)(5)(i)(A) and (B) shall be required or encouraged in the following cases:

- A. Resale provisions shall be required when the NSP subsidy is provided in the form of a development subsidy in which NSP funds are divided among each NSP-assisted unit and not provided as a direct subsidy to the homebuyer.
- B. Resale provisions shall be encouraged when the NSP subsidy is provided in the form of a direct subsidy to the homebuyer **and** a Community Land Trust or other similar entity maintains ownership of the NSP-assisted property to ensure its continued affordability in perpetuity.
- C. Resale provisions shall be encouraged when the NSP subsidy is provided in the form of a direct subsidy to the homebuyer **and** it is determined that the property is located in a highly appreciating market for the purpose of maintaining the unit's affordability throughout the entire period of affordability.
- D. Methods – The resale option ensures that the NSP-assisted unit remains affordable over the entire period of affordability. All NSP-assisted units “designated as affordable units” shall meet the following criteria:
 - The new purchaser must be low-income, meeting the NSP definition, and occupy the property as the family's principle residence.
 - The sales price must be “affordable” to the new purchaser. In this instance, affordability of the new purchaser is defined as the income-eligible household's maximum mortgage capacity as defined by a mortgage lender using generally-accepted underwriting criteria.

- Net proceeds from the sale must provide the original homebuyer, now the home seller, a “fair return” on their investment (including any downpayment and capital improvement investment made by the owner since purchase).
- E. Enforcement Mechanisms - Resale requirements shall be enforced through deed restriction, covenant, land use restriction agreement, or other similar mechanism filed with the Lake County Recorder of Deeds, and the requirements within shall be triggered upon sale or transfer of the NSP-assisted property.

Recapture Provisions

Activity Types - Recapture provisions as outlined in 24 CFR Part 92.254(a)(5)(ii)(A)(1) through (7) shall be enforced in cases where NSP funds are provided as a direct subsidy to the homebuyer as downpayment and/or purchase price assistance.

- A. Methods – The recapture option allows Lake County to recapture the entire NSP subsidy if the NSP recipient decides to sell the unit within the period of affordability at whatever price the market will bear. All NSP-assisted unit sales under the recapture option shall meet the following criteria:
- The homebuyer may sell the property to any willing buyer.
 - The sale of the property during the period of affordability triggers repayment of the direct NSP subsidy to the County that the buyer received when he/she originally purchased the home.
- B. Enforcement Mechanisms - Recapture provisions shall be enforced through mortgage documents or other similar mechanisms filed with the Lake County Recorder of Deeds, and the requirements within shall be triggered upon sale or transfer of the NSP-assisted property.
- C. Amount of Repayment – The County requires full repayment of the direct NSP subsidy when resale occurs during the period of affordability.
- D. Sharing of Net Proceeds – When the net proceeds (i.e., the sales price minus loan repayment, other than NSP funds, and closing costs) are insufficient to repay the direct NSP subsidy and the homebuyer’s investment, the net proceeds shall be shared according to the following formula. Recapture of the NSP funds is based on the ratio of the NSP subsidy to the sum of the homeowner’s investment (including downpayment and any capital improvement investment made by the owner since purchase), plus the NSP subsidy:

$$\frac{\text{NSP Subsidy}}{\text{NSP Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{NSP Recapture}$$

- E. Mortgage Release - Upon receipt of recaptured funds, the County shall file a “Release” document with the Lake County Recorder of Deeds to release the original NSP-assisted homebuyer from the requirements of the mortgage or other similar mechanism.
- F. Repayments – Repayments of recaptured funds shall be remitted directly to the County to be utilized for NSP-eligible activities only.

Communication of Resale/Recapture Provisions

NSP Resale and Recapture provisions are incorporated into all NSP contract documents for homeownership projects/programs.

Appendix IV – Lake County Guidelines

DRUG FREE WORKPLACE REQUIREMENTS

Pursuant to 24 CFR 21, the Project Sponsor will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Project Sponsor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an on-going drug-free awareness program to inform employees about:
 - a) The dangers of drug abuse in the workplace;
 - b) The Project Sponsor's policy of maintaining a drug-free workplace;
 - c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will:
 - a) Abide by the terms of the statement; and
 - b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b) Requiring such an employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2,3,4,5 and 6.

8. The Project Sponsor may insert in the space provided below the site(s) for the performance of work done in connection with this specific NSP-assisted project.

Place of performance (street address, city, state, zip code):

Check (here) _____ if there are workplaces on file that are not identified here; and

The Project Sponsor will comply with the other provisions of the Act and with other applicable laws.

Signature

Date

Authorizing Official Name

Authorizing Official Title, Agency